GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3828
ANSWERED ON:16.05.2006
EXPORT PROMOTION CAPITAL GOODS SCHEME
Vallabbhaneni Shri Balashowry

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government proposes to extend the export obligation period under the Export Promotion Capital Goods Scheme(EPCGS);

(b) if so, the details thereof; and

(c) the likely impact of this decision on export?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) to (c) Foreign Trade Policy 2004-2009 provides for extension in the export obligation for a period of two years. This extension is permitted either on payment of a composition fee of 2% of the duty saved amount or imposing an additional obligation to the extent of 10% of the obligation already fixed. Extension in EO period beyond two years period is also permitted for a period of another two years on the condition that 50% of the duty payable in proportion to unfulfilled export obligation is paid by the EPCG authorization holder to the Customs Authorities. This is basically a facilitation measure and gives an opportunity to defaulting exporters to fulfill their obligation and enables them to remain competitive in global market.